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1 DEC 1960

MEMORANDUM FOR THE RECORD

SUBJECT: Photographic Intelligence Center

I. A meeting was held Tuesday, 22 November 1960, at 11:00 a.m. at the Steuart Building concerning the Photographic Intelligence Center budget. The following individuals attended: Mr. Macy, Bureau of the Budget; Messrs. Lundahl, [] of the Photographic Intelligence Center; and the undersigned.

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1. Mr. Macy outlined briefly some of his general questions concerning the Photographic Intelligence Center budget. He outlined generally that he was primarily concerned with the following general topics: (a) Proposed increases in personnel, (b) Procurement Program, and (c) R&D Program.

2. Mr. Macy questioned the proposed increase in the Photographic Intelligence Center staff by [] in Fiscal Year 1962. [] stated that a substantial amount of material was still available and was considered as a backlog. He stated that the present staff could be kept busy for at least two years in the complete analysis of material presently on hand. He also stated that in view of the urgency of certain of the activities and the problem of getting personnel on duty, it would probably be necessary to recruit 30 to 40 people during the current year. Mr. Macy asked if this would involve an increase in the Agency ceiling for Fiscal Year 1961. Mr. [] replied that an increase in the DD/I ceiling was not contemplated, but if the PIC recruits over (it's ceiling, it was agreed that this over recruitment would be offset by under recruitment in the other elements of the DD/I area. Mr. Macy also questioned the basis on which the estimates were prepared. It was outlined that these estimates were prepared on the basis of information available in April and that consideration was given only to those areas which were the specific responsibility of PIC to serve. It was stated that the estimates did not include provision for the change in the flow of raw data resulting from the U-2 incident, nor did they contemplate the flow of additional information from such projects as []. The inter-relations between the Army and CIA, as well as, the Navy-CIA relationships in PI work were discussed at some length. It was also stated that present indications show the overall strength in the Photographic Intelligence Center would be increased to possibly []. In a subsequent part of the meeting a statement was made that ultimately as many as [] should be assigned to PI work. It was indicated, however, that there were relatively few competent PI analysts. Mr. Lundahl stated that there probably were not more than [] competent PI analysts in the Center at this time.

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3. The list of items which it was contemplated would be acquired was reviewed, and Messrs. Lundahl and [] indicated the purpose for which each of the items included in the list was to be used.

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4. Each of the items in the R&D Program was discussed. The specific purpose, that is the collection program concerned, was discussed in connection with each research estimate. It was pointed out in a number of cases the specific purpose would be to process the take from one specific source of collection, but the actual item was to be designed so that it could also be used for general PI use.

5. During the course of the meeting, Mr. Macy raised the question as to whether Minicard would meet the Photographic Intelligence Center requirements. He pointed out that another part of the Agency had discontinued their plans to use Minicard (OCR), and that under these circumstances if it was not somewhat inconsistent to have the Photographic Intelligence Center planning on not only continuing but extending their Minicard installations. Mr. Lundahl explained that the evaluation was that considerably different problems were faced in OCR as compared to the PIC, and that the Center believed that the Minicard would be of greater value to them. He also stated that undoubtedly a better system would be developed, but they were planning on the utilization of Minicard equipment through 1965. He also stated that the coding was being correlated with SAC and that SAC had recently evaluated the Minicard system and had determined that the system would be used by them. Thus the coding system being used by SAC and CIA was compatible and this compatibility would be of great value in PI operations.

Note: The basic information furnished Mr. Macy and on which the discussions were based is attached as Exhibits A and B.

II. 1. A meeting was held in the Office of the Deputy Director (Support) at about 5:00 p.m. on Tuesday, 22 November 1960. Mr. Macy represented the Bureau of the Budget and Mr. White and the undersigned represented CIA.

2. Mr. Macy outlined the problem areas involved in the PIC Program with which he was particularly concerned as follows:

a. The plans of the Photographic Intelligence Center to develop a PI cell arrangement without regard to the plans in other parts of the Intelligence Community, and the related need for developing

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overall Government-wide policy in the method of handling PI, including a determination as to whether a National Photographic Intelligence Center, to include all PI activities for the Government as a whole, should be established.

b. The basis for the estimates submitted by the Agency and the probability that these estimates were not valid in view of the more recent developments in this general field.

c. The need for research in the PI field and the responsibility of CIA in carrying out such research.

3. Mr. Macy brought up the entire question of Government-wide policy and indicated that he was afraid that CIA was duplicating the work being done elsewhere in the community and that the PI area was not being properly surveyed. He referred to a remark of Mr. Lundahl's that CIA was informing other elements of the Intelligence Community concerned in this field with full information of the work being performed and the processes being carried out by the Photographic Intelligence Center. In addition he referred to a remark that in some instances Mr. Lundahl was not certain that other agencies reciprocated and furnished this Agency with complete information concerning their activities and there was, of course, some possibility of duplication. Mr. Macy indicated that he believed that a national policy should be developed and that the functions of each agency as to which work was to be handled by the individual agencies should be clearly established. No real decision came from this general discussion, but Mr. Macy posed a series of very broad policy questions.

4. Mr. Macy presented substantially the same questions concerning the basis for the estimates as was covered earlier in the meeting with the Photographic Intelligence Center representatives. No real new information was developed on this problem although Mr. Macy admitted the probability that the requirements for PI evaluations probably exceeded that provided for in the estimates.

5. As an adjunct to the overall policy questions outlined in Paragraph 3 above, Mr. Macy stated that he questioned the need for the amount of research being proposed in the CIA budget. Again there was no specific proposal made, but the very strong inference was drawn from remarks that he felt the estimates for research was very much on the high side.

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6. During the course of the meeting Mr. Macy referred to the discussion held earlier with Mr. Lundahl concerning the Minicard system. Subsequent to the meeting with the Photographic Intelligence Center, he had met "someone" who had reported to him that SAC had not accepted the Minicard System. Further queries concerning this report disclosed that the individual had just come from SAC and had talked to them about it the day before. No further information on this item could be elicited from Mr. Macy.

7. At the close of the meeting Mr. Macy indicated that he was recommending that the allowances be in the amount requested by the Agency subject to further review by the Bureau of the Budget. No indication was given as to his specific recommendations though there was a strong inference that they might be on the down side.


Chief, Budget Division

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